

SECRET*Subj: OMB/ICS Budget Hearings**FY83 OMB/ICS Budget Hearings*

28 SEP 1981

MEMORANDUM FOR: Deputy Director for Administration
 Director, National Foreign Assessment Center
 Deputy Director for Operations
 Deputy Director for Science and Technology
 Administrative Officer, DCI

FROM : Maurice Lipton
 Comptroller

SUBJECT : 1983 Budget Hearings

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1. Hearings on the FY 1983 CIA budget with our Intelligence Community Staff (ICS) and Office of Management and Budget (OMB) examiners will begin on 5 October 1981. Attached is a memorandum (Attachment A) from the ICS, discussing the objectives and proposed structure of the hearings. It is concurred in by OMB. Also attached is the schedule (Attachment B).

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2. Our OMB examiner, Keith Hall, will participate in all hearings. They will be held in Room 4E05 of the CIA Headquarters Building, with the exception of The hearings this year are more abbreviated than in the past and are intended to focus on specific policy issues. We have had some discussions with the examiners concerning more detailed elaboration of what questions they wish to pursue and will be providing a separate memorandum to each of you tomorrow discussing points in your areas of concern. Presenters should cover items mentioned in the attachments to the ICS memorandum. In those cases where specific questions for the hearings will be submitted separately, we hope to have them available at least five working days before the hearings. We will likely receive additional questions calling for written answers from components, some of which are not scheduled for hearings. Comptroller representatives will provide further information to you and your staffs as it becomes available. Viewgraphs are encouraged, but four paper copies of all viewgraphs to be used must be available at the start of the presentation.

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3. A high quality presentation of our budget request will pay dividends. In past years, presentations have resulted in loss of resources. A list of budget hearing suggestions (Attachment C) is provided for guidance.

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4. Chief of the Budget Management Group of this Office, is responsible for coordination of the hearings. Any handouts at the


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hearings or follow-up material to be provided the ICS and OMB representatives should be provided to your directorate group chief so that this Office can arrange for appropriate recording and transmittal (four copies). Please encourage your managers to seek our guidance on any questions they may have. 

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Maurice Lipton

Attachments:

As Stated

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O/Compt/BMG (28 Sept 81)

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ATTACHMENT A

DCI/IC 81-1335
28 September 1981MEMORANDUM FOR: Maurice Lipton
CIA Comptroller


FROM:




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Office of Program and Budget Coordination, ICS


SUBJECT: FY 1983 Budget Review Hearings

1. The attachments confirm plans for proceeding with the FY 1983 CIAP Budget Review. This year, as in the past, the Budget Review hearings will be conducted jointly by the IC Staff and the Office of Management and Budget. Attachment 1 provides general objectives for the hearings with a listing of some specific budget detail that is applicable to all parts of the CIA Program. If you have any problems with or questions about the schedule or procedures, please call one of us at 

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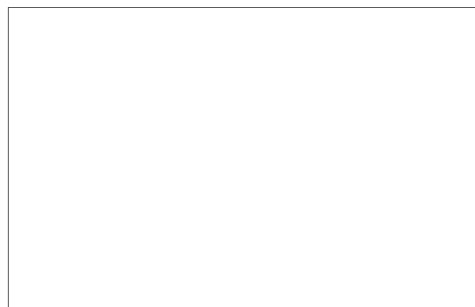
2. The hearings will be organized around the structural categories or consolidated decision units contained in the CIAP. Although we will cover a wide range of activities in the Budget Review, it is our intention to focus on a number of areas of particular concern. Attachment 2 is an outline of the topics we would like to be addressed during the hearings. We will be sending more specific written questions in advance of selected individual hearings. It is possible that some follow-on questions will also be submitted. We would suggest that each hearing begin with a brief overview of the structural category or CDU to include highlights of significant budgetary data. 

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3. We would like to conduct the hearings beginning the week of 5 October, but as discussed with you, we leave to your discretion the precise scheduling of the hearings. 

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Attachments:

- 1 - General Objectives
- 2 - Topic Outline

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ATTACHMENT 1

OMB/ICS Hearings on the 1983-1987 CIAP BudgetGeneral

The hearings are intended to familiarize OMB/ICS representatives with the accomplishments, problems, and resource needs of the various elements of the CIA program. The overall objectives of the review are to obtain an update on the current program (1981), briefly review anticipated changes in the program scheduled for FY 1982, and thoroughly review the 1983-1987 resource needs in the given area. To fulfill these objectives, the following areas should be addressed at each hearing:

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- (1) Brief review of the 1981 program with particular emphasis on major accomplishments, efficiencies realized, and problems outstanding as FY 1982 begins.
- (2) Brief review of FY 1982 changes in the program (assuming favorable action by the Congress on the President's 1982 CIA budget request) with particular emphasis on problem areas addressed in (1) above, or new problems anticipated.
- (3) In-depth review of all 1983-1987 enhanced level packages with emphasis on the problems addressed by the initiatives proposed, the timing for enhancements over the period of the estimate (emphasis on 1983-1985), and the programmatic impact of the enhancement as of end FY 1983, FY 1985, and FY 1987.

Review of Budget Detail

With respect to the budget estimates, program manager representatives should be prepared to discuss and explain:

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- inflation assumptions* used in preparing the 1982-1987 estimates and how these were applied to the 1981 and 1982 base in costing the current level 1983 program;
- significant changes between 1981 actual and the 1981 column of the President's 1982 budget (March);
- significant changes between current 1982 estimates and those contained in the President's 1982 budget (March); and
- the basis for estimating costs in the enhanced level packages.

*Note that the Comptroller's Office intends to give the examiners a briefing on our estimative techniques for inflation.

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Attachment 2

TopicOverview of FY 1983 budget

(2 hrs)

Production (2 hrs)Items of Special Interest

- General descriptions, and major priorities
- Program balance at different DCI fiscal guidance levels.
- DCI program issues
- Items of Congressional concern
- Reorganization of NFAC impacts on FY 82/83 budgets
- Production personnel resources (analysts addressed separately from other major occupational specialties)
- Production external analysis funding (including miscellaneous contractual services as appropriate) addressed in terms of overall level 81-85 and areas of identified need
- Professional development in terms of 1981 actual resources for this purpose needs: "Quality of Analysis" Program
- Production component of other theme packages
- Analyst Equipment
- All enhanced packages (except those relating to SAFE)

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General Overview (emphasis on enhanced)

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Budget Hearing Suggestions

1. Remember that a successful defense of your program depends at least as much on your ability to communicate to the examiners that you understand what you are doing as it does upon the merits of your program.
2. Know your program as presented in the published budget. Defend the decision packages within the recommended program. Know where your packages are ranked within the overall CIA request. Know what the resources are used for, why they are necessary, cite productivity trends or accomplishments that show the importance of the program. Most questions will be directed at resources ranked between the Agency's mid and high guidance levels where most of our enhancements are ranked; be prepared to say what is lost if a current package or enhancement is lost.
3. Respond directly and briefly to the extent possible. Do not answer questions that are not asked.
4. Support the entire CIA program to the extent that you have knowledge of critical elements (ADP, Commo, RD&E, etc.) not within your budget but which are essential to completion of your program mission.
5. If you don't know an answer to a specific question, don't fudge it. Examiners don't expect you to know every detail about the program and fully expect that some questions should be answered in writing after some detailed review. Ask to be allowed to answer such questions in writing.
6. Provide written responses and handouts to the Office of the Comptroller prior to providing them to the OMB and ICS examiners. Copies must be provided for Comptroller records. Handouts and written responses must be properly classified and controlled.

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